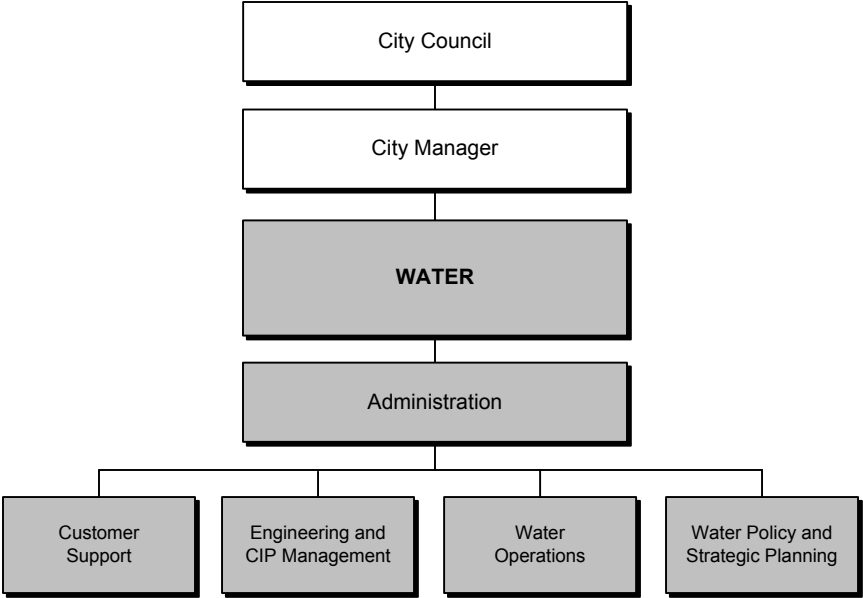


WATER







Mission Statement

To provide San Diego with safe, reliable, cost effective water and outstanding customer service in an environmentally sensitive manner.

Department Description

The City of San Diego has one of the largest and most complex water storage, treatment and delivery systems in the world. The water system extends over 404 square miles serving nearly 1.3 million residents with an average of 208 million gallons of water per day (MGD). Water is transported through approximately 3,320 miles of pipeline and more than 271,000 metered service connections. The City has nine reservoirs with a total capacity of 415,936 acre feet (AF - one AF equals 325,900 gallons) and three water treatment plants with a total capacity of nearly 330 MGD.

Since the San Diego region is considered semi-arid and lacks water as a natural resource, approximately 90 percent of the water used by residents is imported. One of the City of San Diego Water Department's primary responsibilities is to secure imported water supplies for the residents of San Diego while continuing to research alternative water supplies such as recycled water, groundwater, desalinated sea water, etc. In addition to supplying water, the Department also performs a variety of functions and provides a number of services including water system repair and maintenance, lake recreation activities and water conservation education.

While the responsibilities of the Water Department have grown since it was established in 1901, its goal remains the same: to provide a safe and reliable water supply to the San Diego community.

Division/Major Program Description

Administration

The Administration Division is comprised of three major programs: Department Management, Human Resources and Business Operations, each of which provides a specialized service for the Water Department.

Water

Division/Major Program Description

Administration (continued)

Department Management directs and manages Department activities, as well as acts as a liaison with local, State, and federal agencies; advises the Mayor, City Council and City Manager on water supply and other related issues; and provides public information for the Department. The Human Resources Program consists of Analytical Support, Payroll and Training. Analytical Support provides consistent, fair and legally sound advice and services to Water Department employees. Payroll Services provides payroll and document processing for employees. The Training section creates and manages training to employees for safety, technical and legally mandated programs. The Business Operations Program is comprised of three sections: Budget Administration and Fiscal Management, Inter-Agency Contracts and Grant Administration, and Contract Procurement. Budget Administration and Fiscal Management provides budget administration, analysis and coordination for both the operation and maintenance budget and the Capital Improvements Program (CIP) budget; including expenditure and revenue forecasts, bond debt analysis and monitoring and maintaining Department reserves. Inter-Agency Contracts and Grant Administration, which also includes Data Library Management, provides grant procurement and grant administration, legislative analysis, contract administration and electronic data storage of Water Department documents. Contract Procurement prepares, procures, and monitors agreements for all design, design-build, and specialty consultants required to implement the CIP.

Customer Support

The Customer Support Division is comprised of six major sections: Administration, Department-wide Information Systems, Water Resources, Customer Services, Field Services and Meter Services. The Administration section directs and oversees the performance of the Division's sections. The Information Systems section is responsible for managing and implementing the department's Information Technology (IT) plan, new system procurement, infrastructure maintenance and coordinating with San Diego Data Processing Corporation and outside IT providers. The Water Resources section develops and administers Citywide water conservation programs designed to promote permanent water savings. The Customer Services section functions as a liaison between the Water and Metropolitan Wastewater Departments and the City's customers for water and sewer billing services. The Field Services section is responsible for field contact activities, including water meter reading, investigation of water and

Division/Major Program Description

Customer Support (continued)

sewer billing complaints and enforcement of water use codes. The Meter Services section is responsible for the accuracy, maintenance, installation and replacement of water meters within the City of San Diego.

Engineering and CIP Management

The Engineering and CIP Management Division oversees the planning, design and construction of the Department's Capital Improvements Program projects. The Division also provides engineering and other technical aspects associated with the upgrade and expansion of the City's water system. The Division is comprised of eight sections: Division Management, CIP Planning, Project Management-Water Treatment Plants, Project Management-North, Project Management-South, Special Projects, Corrosion Engineering and Operations Liaison. Division Management provides direction and oversees Division activities: CIP Planning conducts water modeling and master planning studies to determine system deficiencies, as well as to identify and develop projects for future phases of the Capital Improvements Program. Project Management-Water Treatment Plants oversees improvements to the Miramar and Alvarado water treatment plants. Project Management-North oversees water system improvements located north of Interstate 8. Project Management-South oversees water system improvements located south of Interstate 8, as well as improvements to the Otay Water Treatment Plant. Corrosion Engineering maintains and operates existing corrosion facilities and provides department-wide corrosion engineering plan checks and specialized inspections for all water-related projects. The Operations Liaison section provides a number of services which include plan checking for all new facilities, developing City force estimates and providing program support for the division. These efforts ensure timely and cost effective water system upgrades that are constructed with sensitivity to environmental, operational and customer needs.

Water Operations

The Water Operations Division provides water service to the City of San Diego. The Division is comprised of eight major sections: Administration, System Operations, Systems Engineering, Construction/Trench Repair, Laboratory, Safety, Reservoirs and Recreation, and Stormwater/Watershed. The Division instituted a combined Bid-to-Goal and ISO 14001 cost savings, performance improvement, and environmental management program in 2004 and is in its second year of implementation. The Administration section provides support to all sections within the Division.

Water

Division/Major Program Description

Water Operations (continued)

The System Operations section operates and maintains the water system and is responsible for the operation of the City's three water treatment plants. The Systems Engineering section coordinates the purchase of all raw and treated water supplies. The Construction/Trench Restoration section provides construction and repair activities, supports the Capital Improvements Program, provides emergency service response, and coordinates trench restoration activities with the Street Division. The Laboratory section is responsible for monitoring and reporting the bacterial and chemical quality of the City's drinking water in accordance with all state and federal regulations. The Safety section manages security of the water system, enforces compliance with environmental health regulations and ensures a safe workplace for Department employees. The Reservoirs and Recreation section is responsible for water storage and recreation and utilizes the City's municipal water supply reservoirs for outdoor, water-based recreational activities, which are compatible with safe, potable water. The Stormwater/Watershed section oversees compliance with the regulations of the San Diego Regional Water Quality Control Board's storm water permit, oversees the ISO 14001 Environmental Management System, and coordinates source water and watershed protection programs.

Water Policy and Strategic Planning

The Water Policy and Strategic Planning Division is responsible for developing the departmental Strategic Business Plan, implementing the Asset Management System, formulating and making water policy recommendations, providing public outreach for capital projects, evaluating new water supply resources and ensuring environmental compliance. The Division is comprised of seven major sections; Division Management, Strategic Planning, Water Policy, Water Reliability, Environmental and Permits, Public Information, and Water Reuse Program. Division Management provides direction and oversees Division activities. The Strategic Planning group supports the Department's Strategic Business Plan implementation activities and is responsible for benchmarking and other continuous improvement efforts. Water Policy participates in dynamic imported water policy issue discussions throughout California, with particular focus on issues presented to the Boards of Directors of the San Diego County Water Authority and Metropolitan Water District. Water Policy works closely with the 10 delegates appointed by the Mayor to serve on these Boards to ensure the City's interests are fully represented.

Division/Major Program Description

Water Policy and Strategic Planning (continued)

Additionally, Water Policy tracks and analyzes legislation related to imported water. Water Reliability is charged with planning the development of local water supplies and overseeing the implementation of the City's Long-Range Water Resources Plan. Environmental and Permits provides guidance and environmental review of projects and assists in securing necessary environmental permits for capital projects. Public Information provides information to target audiences and stakeholders and responds to requests for information on the projects in the Department's Capital Improvements Program. The Water Reuse Program administers the recycled water program including marketing and developing the use of recycled water in designated areas in the City.

Service Efforts and Accomplishments

Traditionally, the Water Department has had an outstanding record of water quality. To continue this high quality of service, the Water Department has embarked on the following projects:

Strategic Business Plan

Developing the Strategic Business Plan required the Department to examine the forces that impact the industry and identify organizational strengths and areas for improvement. The Public Utility Advisory Commission's approval of the plan in June 2004 allowed the Department to implement a program of enhanced organizational alignment and process improvements creating greater efficiency and effectiveness and helping the Department achieve its vision of being a Best-In-Class utility.

Bid-to-Goal/International Organization for Standardization (ISO) 14001 Program

The Water Operations Division recently became the first City department and agency in the nation to develop a Bid-to-Goal and ISO 14001 Program simultaneously. Designed to foster team orientation, improve productivity, decrease expenditures and assure accountability, the Program also incorporates the ISO 14001 - Environmental Management System. The Mayor and City Council approved the Memorandum of Understanding in June of 2004. The Division's efforts to achieve ISO 14001 certification became realized in June 2005 and results from the first year show significant (unaudited) savings, highlighting the success of the Program.

Water Treatment Plant Service Area Water Master Plan.

This is a comprehensive planning study for the City's water transmission and distribution networks. This study will create a "road map" of the potable water system by comprehensively identifying system improvements to better serve customer needs through calendar year 2030.

Alvarado Water Treatment Plant

This plant provides potable water to more than 500,000 residents. In 2004, the first phase of construction on the plant expansion and upgrade project was completed. With the first phase completed, the plant's treatment capacity has increased from 120 million gallons of water a day (MGD) to 150 MGD. The remaining project upgrades and expansion are expected to be completed in calendar year 2011 at a cost of \$184 million.

Black Mountain Ranch Reclaimed Water Storage Tank

This project was completed in June 2005 and along with the completion of the the Black Mountain Road Reclaimed Water Pipeline, provides for the delivery of recycled water to the Black Mountain Ranch Development.

Water

Service Efforts and Accomplishments

This \$4.8 million, three-million gallon tank will provide recycled water for irrigation, industrial and other non-drinking uses to the northern San Diego region.

Miramar Water Treatment Plant

The Miramar Water Early Start Improvements Project, completed in calendar year 2004 and the Miramar Water Treatment Plant Upgrade and Expansion Project, estimated to be completed in 2008, will provide the needed improvements and expansion of capacity from 140 to 215 MGD at an estimated cost of \$190 million.

Otay Water Treatment Plant

This project will include constructing two seven-million gallon treated water storage reservoirs, making improvements to the existing raw water pump stations, constructing a chlorine gas vapor scrubber system, modifying existing filters and constructing a third sedimentation basin. The total cost for this project is estimated to be \$60 million, and is expected to be completed by calendar year 2010.

Otay Water District Recycled Water Purchase

The Otay Water District has agreed to purchase an annual average of six MGD of recycled water produced by the City of San Diego's South Bay Water Reclamation Plant. The District will purchase the recycled water at the prevailing City rate, currently \$350 per acre-foot, starting no later than January 2007. In addition, the District will pay a onetime capacity reservation charge of \$3.6 million, covering the initial 20-year period of the agreement.

Future Outlook

The mission of the Water Department is to provide San Diego with safe, reliable, cost effective water and outstanding customer service in an environmentally sensitive matter. In an effort to meet these goals, the Department is working to make neighborhoods that we can be proud of by the following future enhancements:

San Diego's population is expected to grow to over 1.9 million residents by the year 2030, resulting in an approximate 30 percent increase in water consumption. To meet expected demand, the Department is evaluating storage and supply options, including conservation, desalination, groundwater, water transfers and reclaimed water.

The Water Department is continuing efforts to ensure a secure water supply in order to satisfy current and future City water demands. The current Capital Improvements Program will upgrade and expand the existing water delivery infrastructure, and the Long-Range Water Resources Plan will provide a guide for strategic resource planning through the calendar year 2030.

The City of San Diego Water Department has always been involved in water supply planning. A significant past undertaking effort produced the Strategic Plan for Water Supply in 1997. The plan developed a comprehensive CIP that identified key investments in water treatment, storage and distribution and set goals for water conservation and reclamation to meet City water demands through the calendar year 2015. The Long-Range Water Resources Plan (LRWRP) is a more recent effort. This water resources planning document provides a flexible approach to meeting the City's water demands through the calendar year 2030. The Mayor and City Council's acceptance of the LRWRP in December 2002 enabled the Department to continue to provide a reliable, safe water supply for the future.

Source water protection and watershed management are vital to preserving drinking water quality. The Department's watershed Geographic Information System has mapped all nine watersheds and compiled an electronic archive/database of watershed characteristics.

Future Outlook

Source water protection guidelines for new development established best management practices for design of new building projects in the areas upstream of the reservoirs. The Department is the lead agency in the Watershed Stewardship Initiative for the San Dieguito River Basin, funded by a Clean Water Act Section 205(j) grant. In addition, the Department is an active participant in other watershed management planning projects for the San Diego area including watershed management plans and watershed urban runoff management plans for four watersheds in the San Diego region. The Water Quality Laboratory has established 33 sampling sites on stream tributaries to the reservoirs and 22 sampling sites on the reservoirs and these sites are routinely monitored for pollutants.

The City of San Diego's LRWRP further builds on the previously approved 1997 Strategic Plan for Water Supply. The Strategic Plan set water conservation goals of 26,000 acre feet (AF) of water saved by 2005 and the LRWRP set water savings goals of 32,000 AF by 2010; 36,000 AF by 2020 and 46,000 AF by 2030.

Additional efforts include incentive programs for irrigation system retrofits, weather-based irrigation controllers and a pilot review of the benefits of "auto recirculation" that employ water pumps to reduce water waste when home owners use hot water faucets. These as well as other conservation efforts have resulted in an annual aggregate savings of 23,407 acre feet.

Today, the Water Conservation Program directly accounts for over 23 MGD of potable water savings. Water conservation efforts continue in the Water Department including a website with new features for identifying low water use drought-tolerant plants and a water conservation certificate verification system allowing property owners, buyers, real estate or escrow agents to verify if property has valid certificates on file certifying water-conserving structures prior to changing ownership.

Budget Dollars at Work

- 75,979 Million gallons in water deliveries (raw and filtered)
- 72,453 Million gallons in City water consumption (including South Bay area)
- 3,319 Miles of water mains
- 271,204 Meters
- 3 Treatment plants
- 24,600 Fire hydrants
- 9 Impounding dams and reservoirs
- 282,184 Customer service calls answered

Water				
	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL	FY 2005-2006 CHANGE
Positions	860.74	857.87	889.39	31.52
Personnel Expense	\$ 62,777,150	\$ 69,525,769	\$ 74,471,064	\$ 4,945,295
Non-Personnel Expense	\$ 295,624,210	\$ 289,090,165	\$ 248,072,845	\$ (41,017,320)
TOTAL	\$ 358,401,360	\$ 358,615,934	\$ 322,543,909	\$ (36,072,025)

Water

Department Staffing

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
WATER DEPARTMENT FUND			
Water Department			
Business Operations Section	35.00	36.00	35.00
Capital Improvement Projects	27.00	27.00	44.00
CIP Corrosion Engineering	0.00	7.00	7.00
CIP Division Management	1.00	1.00	2.00
CIP Operations Liaison	5.00	5.00	14.00
CIP Planning	13.00	13.00	12.00
Cust Support - Information Systems	19.00	19.00	19.00
Customer Services Office	57.00	57.00	56.00
Customer Support - Meter Services	67.00	67.00	75.00
Customer Support Division Administration	6.00	6.00	6.00
Department Management	2.74	3.37	3.33
Field Services & Investigations	48.00	48.00	48.00
Human Resources	32.50	32.50	32.50
Lakes & Recreation/Reservoir Mgmt	44.00	46.00	46.00
Plant Operations	0.00	0.00	23.00
Public Information	4.50	4.00	3.00
Safety Program	6.00	6.00	6.00
Special Projects	1.00	1.00	0.00
Stormwater/Watershed	4.00	2.00	2.00
System Operations	151.00	174.00	147.00
Trench Repair	0.00	0.00	24.56
Water Construction	160.00	139.00	119.00
Water Laboratory	50.00	50.00	50.00
Water Operations Administration	23.00	21.00	21.00
Water Pol Div - Administration	8.00	5.00	3.00
Water Pol Div - Div Management	5.00	5.00	5.00
Water Pol Div - Strat Planning	1.00	2.00	2.00
Water Pol Div - Water Policy	2.00	1.00	1.00
Water Pol Div-Water Reliability	7.00	8.00	8.00
Water Resources Management	20.50	20.50	21.00
Water Reuse Program	8.50	8.50	11.00
Water System Engineering	52.00	43.00	43.00
Total	860.74	857.87	889.39

Department Expenditures

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
WATER DEPARTMENT FUND			
Water Department			
45-Day Operating Reserve	\$ -	\$ -	\$ 18,049,799
Assurance Program	\$ -	\$ -	\$ 3,050,000
Bond Debt Service and Loan Payments	\$ -	\$ -	\$ 34,237,380
Business Operations Section	\$ 14,902,058	\$ 71,698,374	\$ 8,376,733

Department Expenditures

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
WATER DEPARTMENT FUND			
Water Department			
Capital Improvement Projects	\$ 67,476,994	\$ 57,563,517	\$ 11,440,376
CIP Corrosion Engineering	\$ -	\$ 1,082,512	\$ 1,186,913
CIP Division Management	\$ 357,614	\$ 2,168,454	\$ 4,216,615
CIP Operations Liaison	\$ 1,231,549	\$ 1,994,228	\$ 2,787,714
CIP Planning	\$ 1,432,831	\$ 1,688,766	\$ 2,003,948
CIP Project Management South	\$ 72,698	\$ 73,503	\$ 75,388
CIP Project Management WTP	\$ 99,024	\$ 111,115	\$ 114,102
Contract Procurement	\$ -	\$ 1,466	\$ -
Cust Support - Information Systems	\$ 1,572,899	\$ 1,730,671	\$ 8,493,104
Customer Services Office	\$ 6,806,556	\$ 6,706,116	\$ 6,686,031
Customer Support - Meter Services	\$ 6,584,731	\$ 7,565,636	\$ 7,589,052
Customer Support Division Administration	\$ 704,233	\$ 1,434,838	\$ 1,731,451
Department Management	\$ 710,510	\$ 895,148	\$ 837,337
Enterprise Fund Management	\$ 27,584,686	\$ -	\$ -
Field Services & Investigations	\$ 3,129,999	\$ 3,490,130	\$ 3,545,612
General Government Services	\$ -	\$ -	\$ 3,414,000
Human Resources	\$ 2,774,220	\$ 3,071,204	\$ 3,383,745
Lakes & Recreation/Reservoir Mgmt	\$ 5,533,208	\$ 5,866,169	\$ 6,199,756
Plant Operations	\$ -	\$ -	\$ 6,284,072
Project Management - North	\$ 33,231	\$ 32,786	\$ 32,798
Public Information	\$ 442,964	\$ 475,234	\$ 408,594
Safety Program	\$ 2,442,508	\$ 2,460,602	\$ 2,290,222
Special Projects	\$ 120,981	\$ 131,347	\$ 10,201
Stormwater/Watershed	\$ 548,934	\$ 426,296	\$ 698,653
System Operations	\$ 17,972,645	\$ 19,560,762	\$ 14,915,551
Trench Repair	\$ -	\$ -	\$ 2,662,889
Unallocated Reserve	\$ -	\$ -	\$ 1,320,000
Water Construction	\$ 13,922,405	\$ 15,829,978	\$ 16,059,773
Water Department	\$ -	\$ -	\$ 1,337
Water Laboratory	\$ 5,567,758	\$ 5,559,237	\$ 5,987,344
Water Operations Administration	\$ 18,599,937	\$ 22,546,588	\$ 19,526,026
Water Pol Div - Administration	\$ 37,732,026	\$ 1,913,810	\$ 1,623,883
Water Pol Div - Div Management	\$ 492,972	\$ 858,619	\$ 894,792
Water Pol Div - Strat Planning	\$ 104,287	\$ 202,105	\$ 211,070
Water Pol Div - Water Policy	\$ 173,051	\$ 107,186	\$ 113,582
Water Pol Div-Water Reliability	\$ 1,470,363	\$ 2,332,628	\$ 2,871,725
Water Purchases	\$ 107,102,000	\$ 109,081,000	\$ 110,047,961
Water Resources Management	\$ 3,481,280	\$ 3,748,059	\$ 2,929,098
Water Reuse Program	\$ 914,932	\$ 967,075	\$ 1,344,476

Water

Department Expenditures

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
WATER DEPARTMENT FUND			
Water Department			
Water System Engineering	\$ 6,305,276	\$ 5,240,775	\$ 4,890,806
Total	\$ 358,401,360	\$ 358,615,934	\$ 322,543,909

Business Operations Section budget for FY 2005 includes General Government Services payment, Bond Debt Service, 45-Day and Unallocated Reserves.

Enterprise Fund Management budget for FY 2004 includes General Services Payment, 45-Day & Unallocated Reserves.

Plant Operations Budget in FY 2004 and FY 2005 includes System Operations.

Water Policy Division Administration budget in FY 2004 includes Bond Debt Service payments.

Significant Budget Adjustments

WATER DEPARTMENT FUND

Water Department	Positions	Cost
Salary and Benefit Adjustments	(0.04)	\$ 2,636,456
Adjustments to reflect the annualization of the Fiscal Year 2005 negotiated salary compensation schedule, changes to average salaries, retirement contributions, and retiree health contributions. Position adjustments, if applicable, reflect the City Manager's restructuring of Executive Team assignments.		
Support for Bid-To-Goal In-Scope Needs	0.00	\$ 4,384,348
Adjustment associated with bringing the Operations budget in alignment with the Bid-To-Goal contract as adopted by the Mayor and City Council in June 2004. The bid focuses on cost-containment and performance measurement within the Water Operations Division.		
Support for Street and Trench Restorations	0.00	\$ 2,440,000
Adjustment for funding street resurfacing/excavations in accordance with the Municipal Code. The Water Department will restore approximately 1,900 trenches annually.		
Support for State Revolving Fund Loan	0.00	\$ 1,263,422
Payment of principal and interest on Department of Health Services Safe Drinking Water State Revolving Fund Loan that assisted in financing the Alvarado Water Treatment Plant - Earl Thomas Reservoir replacement.		
Transfer of Positions from Development Services Department	12.00	\$ 1,200,516
Water Review Section of Development Services Department has been transferred to Water Engineering & CIP Division. This will result in better customer service and efficiencies in regard to developer and CIP project standardization and implementation. This activity was previously funded by the Water Department pursuant to a Service Level Agreement.		

Significant Budget Adjustments

WATER DEPARTMENT FUND

Water Department	Positions	Cost
Support for 45-Day Operating Reserve	0.00 \$	1,067,488
The Operating Reserve is a budgeted amount that is calculated to provide for 45 days of operation in the event of major disruption to the Water Fund revenue stream as required by bond agreements. The reserve is budgeted at 12.5 percent of the Water Department operating budget excluding monies for CIP projects, debt service payments, reserves and water purchases.		
Support for Water Purchase Cost	0.00 \$	1,051,000
Increases in funding to reflect increased demand and cost of imported water approximating 85 percent of total water requirements.		
Support for Bid-To-Goal Incentive Program	0.00 \$	750,000
Adjustment for funding the Pay for Performance Program as outlined in the Bid-To-Goal contract adopted by the Mayor and City Council in June 2004. Incentives are provided to employees in an effort to improve operational performance and achieve specified performance goals.		
Support for Water Reuse Study	0.00 \$	465,000
Funding to support on-going Water Reuse Study advanced treatment options and individual groundwater projects. All non-personnel costs will be offset through approved grant reimbursement.		
Support for CIP Planning Task Order Agreement	0.00 \$	250,000
Funding to cover the additional requests for modeling for reclaimed and potable water and customer support to optimize the systems. This contract will be used to support additional runs for the CIP future program, existing CIP projects as well as new construction from development.		
Support for Dam Monitoring Fees	0.00 \$	181,000
Funding for increased payment obligation for regulatory fees associated with dams monitored by the City of San Diego Water Department.		
Support for San Dieguito River Park Joint Powers Authority	0.00 \$	179,336
Reflects increase in funding obligation associated with the San Dieguito River Park Joint Powers Authority.		
Unallocated Reserve	0.00 \$	101,000
Additional funding to reflect commensurate increases in operating and CIP budgets. Maintains the Unallocated Reserve at less than one percent of total budget.		

Water

Significant Budget Adjustments

WATER DEPARTMENT FUND

Water Department	Positions	Cost
Support for the Operation and Maintenance of the Imperial Irrigation District Facilities Reflects the increase in payment obligation for the operation and maintenance of the Imperial Irrigation District facilities.	0.00 \$	55,000
Support for the Alvarado Water Treatment Plant Service Area Water Master Plan Funding for the Alvarado Water Treatment Plant Service Area Water Master Plan, a comprehensive planning study for the City's water transmission and distribution networks within the central part of the City. This planning study will create a road map of the potable water system by comprehensively identifying system improvements to serve customer needs to calendar year 2030.	0.00 \$	50,000
Support for Maintenance of the Employee Training and Development Center Funding for the Employee Training and Development Center at Lake Murray for continued repair, maintenance and required upgrades of the 13 year-old facility.	0.00 \$	32,819
Support for United States Geological Survey Funding to continue agreement partnership with the United States Geological Survey for groundwater studies and exploration into the San Diego formation aquifer to continue the characterization of this large deep aquifer from San Diego to the Mexico border. Funding will pay for development of monitoring wells, collection of data, and provide general assistance in evaluating and moving forward the groundwater program.	0.00 \$	25,000
Support for Underground Utilities Adjustment for funding to align budget allocation with current anticipated expenditures related to all underground utility mark-outs.	0.00 \$	20,000
Support for Maintenance of Heating and Air-Conditioning System Funding for ongoing maintenance of the heating and air conditioning systems at the Employee Training and Development Center at Lake Murray.	0.00 \$	2,000
Support for Trench Restoration Pilot Program Transfer of 24.56 positions from the General Services Department to the Water Department to support the Trench Restoration Pilot Program. Corresponding reductions to non-personnel expenses were made to result in a net-zero impact to the Department.	24.56 \$	0

Significant Budget Adjustments

WATER DEPARTMENT FUND

Water Department	Positions	Cost
Support for Information Technology	0.00	\$ (129,089)
Funding is allocated according to a zero based annual review of information technology funding requirements and priority analyses.		
Non-Discretionary	0.00	\$ (152,547)
Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.		
Reduction of Classified Positions	(5.00)	\$ (516,817)
Reduction of 2.00 Assistant Civil Engineers and 1.00 Principal Engineering Aide in the Water Review Section, 1.00 Senior Civil Engineer in the Special Projects Section and 1.00 Supervising Management Analyst in the Customer Services Office Section.		
Adjustment to Comply with Finance Plan	0.00	\$ (858,963)
Reduction in non-personnel expenses to partially offset approved department additions in order to comply with the Water Department's Finance Plan.		
Reduction Due to Removal of Right-Of-Way Fees	0.00	\$ (1,114,000)
Elimination of funding for right-of-way fees paid to the General Fund. No payments will be made in Fiscal Year 2006.		
Reduction in Debt Service	0.00	\$ (2,000,000)
Decrease of support for scheduled bond debt service payment for Fiscal Year 2006. Interest earnings on debt service funds will be used to partially pay for scheduled bond debt service payment.		
Reduction of Capital Improvements Program Budget	0.00	\$ (47,454,994)
Reduction to meet the approved annual Capital Improvements Program budget.		

Expenditures by Category

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
PERSONNEL			
Salaries & Wages	\$ 45,438,969	\$ 48,676,360	\$ 50,612,599
Fringe Benefits	\$ 17,338,181	\$ 20,849,409	\$ 23,858,465
SUBTOTAL PERSONNEL	\$ 62,777,150	\$ 69,525,769	\$ 74,471,064

Water

Expenditures by Category

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
NON-PERSONNEL			
Supplies & Services	\$ 268,777,461	\$ 265,192,019	\$ 227,411,064
Information Technology	\$ 16,178,682	\$ 13,272,466	\$ 11,126,037
Energy/Utilities	\$ 9,078,245	\$ 9,807,858	\$ 8,295,565
Equipment Outlay	\$ 1,589,822	\$ 817,822	\$ 1,240,179
SUBTOTAL NON-PERSONNEL	\$ 295,624,210	\$ 289,090,165	\$ 248,072,845
TOTAL	\$ 358,401,360	\$ 358,615,934	\$ 322,543,909

Key Performance Measures

	FY 2004 BUDGET	FY 2005 BUDGET	FY 2006 FINAL
Average cost to satisfy requests for CIP project information	\$2,953	\$3,168	\$ 3,405
Average cost to complete planning studies	\$80,878	\$93,641	\$ 104,017
Average cost per water laboratory test	\$52	\$40.00	\$ 54
Average cost per meter read	\$0.68	\$0.75	\$ 0.77
Average cost per customer contact ⁽¹⁾	\$4.00	\$4.94	\$ 4.70

Salary Schedule

WATER DEPARTMENT FUND

Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>	<i>Salary</i>	<i>Total</i>
1013	Water Systems Technician III	0.00	225.00	\$ 41,710	\$ 9,384,686
1014	Water Systems Technician IV	55.00	59.00	\$ 50,754	\$ 2,994,502
1015	Water Systems Technician Supervisor	22.00	23.00	\$ 58,834	\$ 1,353,182
1016	Water Systems District Manager	6.00	6.00	\$ 67,497	\$ 404,984
1104	Account Clerk	6.00	6.00	\$ 36,329	\$ 217,973
1106	Sr Management Analyst	8.00	9.00	\$ 68,677	\$ 618,094
1107	Administrative Aide II	11.00	10.00	\$ 48,630	\$ 486,301
1136	Asst Chemist	16.00	16.00	\$ 62,576	\$ 1,001,220
1153	Asst Engineer-Civil	32.00	37.00	\$ 66,046	\$ 2,443,692
1193	Asst Reservoir Keeper	8.00	8.00	\$ 38,830	\$ 310,643
1218	Assoc Management Analyst	24.00	25.00	\$ 61,400	\$ 1,535,005
1220	Assoc Chemist	5.00	4.00	\$ 72,080	\$ 288,320
1221	Assoc Engineer-Civil	32.00	34.00	\$ 77,068	\$ 2,620,302
1223	Assoc Engineer-Electrical	1.00	1.00	\$ 75,953	\$ 75,953
1225	Assoc Engineer-Mechanical	1.00	1.00	\$ 76,680	\$ 76,680
1227	Assoc Planner	2.00	2.00	\$ 65,180	\$ 130,360

⁽¹⁾ Figures do not include costs to support Community Service Centers.

Salary Schedule

WATER DEPARTMENT FUND

Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>	<i>Salary</i>	<i>Total</i>
1230	Multimedia Production Specialist	0.00	1.00	\$ 49,777	\$ 49,777
1235	Multimedia Production Coordinator	1.00	1.00	\$ 56,533	\$ 56,533
1237	Payroll Specialist I	1.00	1.00	\$ 37,995	\$ 37,995
1238	Payroll Supv	1.00	1.00	\$ 46,018	\$ 46,018
1243	Info Systems Administrator	1.00	1.00	\$ 85,430	\$ 85,430
1275	Building Services Supv	1.00	1.00	\$ 52,967	\$ 52,967
1288	Carpenter	2.00	2.00	\$ 48,987	\$ 97,974
1293	Cement Finisher	1.00	3.66	\$ 48,934	\$ 179,099
1330	Cashier	4.00	5.00	\$ 36,043	\$ 180,215
1348	Info Systems Analyst II	7.00	7.00	\$ 62,220	\$ 435,537
1349	Info Systems Analyst III	3.00	3.00	\$ 68,822	\$ 206,466
1356	Code Compliance Officer	4.00	4.00	\$ 42,974	\$ 171,896
1357	Code Compliance Supv	1.00	1.00	\$ 47,827	\$ 47,827
1369	Water Distribution Operator	6.00	6.00	\$ 54,908	\$ 329,447
1370	Water Distribution Operations Supv	1.00	1.00	\$ 59,314	\$ 59,314
1393	Customer Services Supv	2.00	4.00	\$ 66,323	\$ 265,290
1394	Customer Services Representative	38.00	38.00	\$ 37,761	\$ 1,434,902
1398	Ranger/Diver I	4.00	4.00	\$ 47,602	\$ 190,409
1399	Ranger/Diver II	2.00	2.00	\$ 52,910	\$ 105,820
1400	Ranger/Diver Supv	1.00	1.00	\$ 62,192	\$ 62,192
1401	Info Systems Technician	6.00	6.00	\$ 49,116	\$ 294,693
1423	Sr Drafting Aide	9.00	9.00	\$ 51,328	\$ 461,956
1436	Equipment Technician I	38.00	1.00	\$ 40,101	\$ 40,101
1437	Equipment Mechanic	1.00	1.00	\$ 49,680	\$ 49,680
1440	Equipment Operator II	14.00	17.67	\$ 46,457	\$ 820,900
1443	Electronics Technician	1.00	1.00	\$ 51,465	\$ 51,465
1445	Equipment Operator III	1.00	2.00	\$ 48,496	\$ 96,992
1465	Field Representative	18.00	16.00	\$ 37,377	\$ 598,037
1508	Irrigation Specialist	3.00	3.00	\$ 41,757	\$ 125,271
1512	Heavy Truck Driver II	2.00	6.00	\$ 42,466	\$ 254,793
1513	Heavy Truck Driver I	0.00	1.00	\$ 40,321	\$ 40,321
1520	Hydrography Aide	1.00	1.00	\$ 46,033	\$ 46,033
1522	Instrumentation & Control Supv	1.00	1.00	\$ 65,511	\$ 65,511
1523	Instrumentation & Control Tech	7.00	7.00	\$ 58,684	\$ 410,787
1535	Clerical Assistant II	9.00	9.00	\$ 33,827	\$ 304,443
1556	Recycling Program Manager	1.00	1.00	\$ 86,147	\$ 86,147
1560	Lake Aide II	14.00	14.00	\$ 30,502	\$ 427,029

Water

Salary Schedule

WATER DEPARTMENT FUND

Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>		<i>Salary</i>	<i>Total</i>
1575	Data Entry Operator	1.00	1.00	\$	37,067	\$ 37,067
1580	Laboratory Technician	10.00	10.00	\$	46,448	\$ 464,477
1599	Lakes Program Manager	1.00	1.00	\$	85,146	\$ 85,146
1612	Org Effectiveness Specialist III	1.00	2.00	\$	68,892	\$ 137,784
1614	Org Effectiveness Specialist II	4.00	4.00	\$	62,633	\$ 250,532
1615	Org Effectiveness Supv	1.00	2.00	\$	77,311	\$ 154,622
1620	Meter Reader	17.00	17.00	\$	32,491	\$ 552,345
1622	Biologist III	5.00	5.00	\$	71,600	\$ 357,999
1624	Biologist II	9.00	9.00	\$	61,800	\$ 556,197
1648	Payroll Specialist II	6.00	6.00	\$	39,930	\$ 239,579
1650	Sr Personnel Analyst	1.00	0.00	\$	-	\$ -
1652	Plant Technician I	5.00	0.00	\$	-	\$ -
1666	Plant Process Control Electrician	3.00	3.00	\$	58,645	\$ 175,934
1668	Plant Process Control Supv	1.00	1.00	\$	64,583	\$ 64,583
1725	Principal Drafting Aide	4.00	4.00	\$	57,959	\$ 231,837
1727	Principal Engineering Aide	10.00	12.00	\$	57,540	\$ 690,482
1746	Word Processing Operator	28.50	27.50	\$	36,284	\$ 997,802
1752	Project Officer II	1.00	1.00	\$	87,491	\$ 87,491
1776	Public Information Clerk	4.00	4.00	\$	36,160	\$ 144,640
1777	Public Info Officer	3.00	2.00	\$	50,475	\$ 100,949
1798	Golf Course Manager	1.00	1.00	\$	65,442	\$ 65,442
1804	Sr Biologist	1.00	1.00	\$	82,811	\$ 82,811
1816	Claims & Insurance Manager	2.00	2.00	\$	84,134	\$ 168,268
1817	Reservoir Keeper	9.00	9.00	\$	44,433	\$ 399,897
1825	Safety Representative I	1.00	1.00	\$	48,325	\$ 48,325
1826	Safety Representative II	2.00	2.00	\$	57,979	\$ 115,958
1844	Sr Account Clerk	1.00	1.00	\$	41,348	\$ 41,348
1854	Sr Chemist	1.00	1.00	\$	82,811	\$ 82,811
1855	Sr Civil Engineer	10.00	10.00	\$	89,051	\$ 890,510
1860	Sr Customer Services Rep	6.00	6.00	\$	43,774	\$ 262,644
1861	Sr Engineering Aide	11.00	9.00	\$	49,874	\$ 448,866
1863	Sr Electrical Engineer	1.00	1.00	\$	88,905	\$ 88,905
1869	Sr Meter Reader	1.00	0.00	\$	-	\$ -
1870	Senior Water Utility Supv	1.00	1.00	\$	53,555	\$ 53,555
1872	Sr Planner	2.00	2.00	\$	75,218	\$ 150,436
1876	Executive Secretary	1.00	1.00	\$	50,406	\$ 50,406
1879	Sr Clerk/Typist	4.00	4.00	\$	41,523	\$ 166,092

Salary Schedule

WATER DEPARTMENT FUND

Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>	<i>Salary</i>		<i>Total</i>
1884	Water Production Superintendent	1.00	1.00	\$	94,766	\$ 94,766
1899	Stock Clerk	1.00	1.00	\$	34,212	\$ 34,212
1902	Storekeeper I	2.00	2.00	\$	39,614	\$ 79,228
1917	Supv Management Analyst	5.00	5.00	\$	77,660	\$ 388,300
1921	Supv Field Representative	2.00	3.00	\$	39,611	\$ 118,833
1925	Supv Meter Reader	1.00	2.00	\$	42,829	\$ 85,658
1926	Info Systems Analyst IV	2.00	2.00	\$	77,495	\$ 154,989
1927	Supv Personnel Analyst	1.00	0.00	\$	-	\$ -
1940	Supv Public Info Officer	3.00	3.00	\$	68,686	\$ 206,058
1946	Tank Service Technician I	7.00	0.00	\$	-	\$ -
1947	Tank Service Technician II	3.00	0.00	\$	-	\$ -
1961	Public Works Supv	0.00	1.67	\$	57,043	\$ 95,262
1971	Training Supv	1.00	1.00	\$	68,062	\$ 68,062
1972	Safety & Training Manager	2.00	2.00	\$	77,428	\$ 154,856
1977	Public Works Superintendent	0.00	0.56	\$	80,279	\$ 44,956
1978	Utility Worker I	107.00	6.33	\$	33,894	\$ 214,549
1979	Utility Worker II	0.00	3.67	\$	37,344	\$ 137,051
1985	Welder	3.00	3.00	\$	50,012	\$ 150,035
1986	Water Operations Supv	3.00	3.00	\$	75,588	\$ 226,764
1987	Sr Water Operations Supv	4.00	4.00	\$	89,509	\$ 358,036
1988	Water Plant Operator	17.00	17.00	\$	65,454	\$ 1,112,718
1991	Water Utility Supv	1.00	0.00	\$	-	\$ -
1992	Water Utility Worker	71.00	0.00	\$	-	\$ -
2153	Deputy City Manager	0.37	0.33	\$	178,533	\$ 58,916
2181	Asst Department Director	1.00	1.00	\$	126,710	\$ 126,710
2194	Water Department Director	1.00	1.00	\$	143,760	\$ 143,760
2214	Deputy Director	4.00	4.00	\$	120,169	\$ 480,676
2250	Asst Deputy Director	2.00	2.00	\$	108,494	\$ 216,988
2270	Program Manager	6.00	6.00	\$	105,009	\$ 630,056
	Bilingual - Regular	0.00	0.00	\$	-	\$ 9,034
	Confined Space Pay	0.00	0.00	\$	-	\$ 212,287
	Emergency Medical Tech	0.00	0.00	\$	-	\$ 27,438
	Ex Perf Pay-Classified	0.00	0.00	\$	-	\$ 52,418
	Ex Perf Pay-Unclassified	0.00	0.00	\$	-	\$ 3,168
	Overtime Budgeted	0.00	0.00	\$	-	\$ 1,525,457
	Reg Pay For Engineers	0.00	0.00	\$	-	\$ 435,710
	Standby Pay	0.00	0.00	\$	-	\$ 92,446

Water

Salary Schedule

WATER DEPARTMENT FUND

Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2005 Positions</i>	<i>FY 2006 Positions</i>	<i>Salary</i>	<i>Total</i>
	Tech Cert Pay	0.00	0.00	\$ -	\$ 3,704
	Temp CIP City Force Wages	0.00	0.00	\$ -	\$ 1,227,699
	Temporary Help	0.00	0.00	\$ -	\$ 984,895
	Total	857.87	889.39		\$ 50,612,599

WATER TOTAL	857.87	889.39		\$ 50,612,599
--------------------	--------	---------------	--	----------------------

Non-General Fund Five-Year Expenditure Forecast

	FY 2006 FINAL	FY 2007 FORECAST	FY 2008 FORECAST	FY 2009 FORECAST	FY 2010 FORECAST	FY 2011 FORECAST
Positions	889.39	889.39	889.39	889.39	889.39	889.39
Personnel Expense	\$ 74,471,064	\$ 76,705,196	\$ 79,006,352	\$ 81,376,542	\$ 83,817,839	\$ 86,332,374
Non-Personnel Expense	\$248,072,845	\$347,315,191	\$356,044,798	\$382,289,488	\$374,849,136	\$416,282,900
TOTAL EXPENDITURES	\$322,543,909	\$424,020,387	\$435,051,150	\$463,666,030	\$458,666,975	\$502,615,274

	Water
Fiscal Year 2007	<p>Net increase of \$5,308,039 in funding for water purchases (commodity and fixed charges). This increase will maintain funding levels for the water purchase budget at 85 percent of demand.</p> <p>Net increase of \$79,970,494 in funding for the Capital Improvements Program.</p> <p>Net increase of \$6,521,628 in funding for scheduled increases in Bond Debt Service and State Revolving Fund loan payments.</p>
Fiscal Year 2008	<p>Net increase of \$17,367,000 in funding for water purchases (commodity and fixed charges). This increase will maintain funding levels for the water purchase budget at 94 percent of demand.</p> <p>Net decrease of \$19,056,849 in funding for the Capital Improvements Program.</p>
Fiscal Year 2009	<p>Net increase of \$8,709,000 in funding for water purchases (commodity and fixed charges). This increase will maintain funding levels for the water purchase budget at 94 percent of demand.</p> <p>Net increase of \$6,854,346 in funding for the Capital Improvements Program.</p>

Non-General Fund Five-Year Expenditure Forecast

	Water
Fiscal Year 2010	<p>Net increase of \$1,703,000 in funding for water purchases (commodity and fixed charges). This increase will maintain funding levels for the water purchase budget at 94 percent of demand.</p> <p>Net decrease of \$20,612,037 in funding for the Capital Improvements Program.</p>
Fiscal Year 2011	<p>Net increase of \$1,703,000 in funding for water purchases (commodity and fixed charges). This increase will maintain funding levels for the water purchase budget at 94 percent of demand.</p> <p>Net increase of \$23,560,290 in funding for the Capital Improvements Program.</p>

Water

Revenue and Expense Statement

WATER DEPARTMENT FUND 41500

	FY 2004* BUDGET	FY 2005* BUDGET	FY 2006* FINAL
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	\$ 22,858,000	\$ 47,761,030	\$ 56,901,160
Prior Year Continuing Appropriations	\$ 84,956,111	\$ 94,131,324	\$ 64,111,000
Prior Year Encumbrances Cancelled	\$ 2,500,000	\$ 2,500,000	\$ 2,000,000
Reserve Balance	\$ 50,471,043	\$ 38,216,746	\$ 38,739,411
TOTAL BALANCE	\$ 160,785,154	\$ 182,609,100	\$ 161,751,571
REVENUE			
Capacity Charges	\$ 17,243,300	\$ 16,916,000	\$ 16,574,000
Change in Anticipated Contributions	\$ 93,276	\$ -	\$ -
Contributions in Aid	\$ 2,936,632	\$ 175,000	\$ 675,000
Damages Recovered	\$ 290,200	\$ 290,200	\$ 290,200
Financing Proceeds	\$ 78,326,200	\$ 66,074,570	\$ -
Grant Receipts	\$ 3,754,963	\$ 4,372,495	\$ 5,782,828
Interest Earnings	\$ 9,408,000	\$ 4,532,000	\$ 2,532,000
Lakes Recreation	\$ 1,422,200	\$ 1,402,600	\$ 1,454,300
Land and Building Rentals	\$ 3,742,872	\$ 3,871,032	\$ 4,121,333
New Water Services	\$ 1,648,000	\$ 2,100,000	\$ 2,100,000
Other Revenue	\$ 1,255,454	\$ 379,685	\$ 322,615
Reclaimed Water	\$ 2,661,000	\$ 3,279,000	\$ 3,513,700
Reimbursement from Capital Outlay Fund	\$ 114,700	\$ 114,700	\$ 3,157,700
Sale of Discarded Materials	\$ 14,000	\$ 14,000	\$ 14,000
Sale of Water	(1) \$ 225,460,239	\$ 243,698,739	\$ 261,391,273
Service Charges	\$ 453,400	\$ 509,000	\$ 600,000
Service Rendered to Others	\$ 7,362,716	\$ 7,723,195	\$ 10,170,391
TOTAL REVENUE	\$ 356,187,152	\$ 355,452,216	\$ 312,699,340
TOTAL BALANCE AND REVENUE	\$ 516,972,306	\$ 538,061,316	\$ 474,450,911
CAPITAL IMPROVEMENTS PROGRAM (CIP)			
CIP Expenditures/Budget	\$ 68,026,994	\$ 57,563,517	\$ 11,440,376
TOTAL CIP EXPENSE	\$ 68,026,994	\$ 57,563,517	\$ 11,440,376
OPERATING EXPENSE			
Assurance Fund	\$ -	\$ -	\$ 3,050,000
Debt Service	\$ 34,861,258	\$ 34,861,458	\$ 32,861,458
Department Expenditures/Encumbrances	\$ 125,831,453	\$ 132,794,692	\$ 140,984,393
SRF Loan Expense	\$ -	\$ 112,500	\$ 1,375,922
Transfers to Other Funds	\$ 4,492,029	\$ 4,489,216	\$ 3,414,000
Unallocated Reserve	\$ 2,347,000	\$ 2,539,000	\$ 1,320,000
Water Purchases (Commodity)	\$ 82,862,000	\$ 83,257,000	\$ 84,216,573

(1) Sale of water reflects change from cash to accrual accounting.

Revenue and Expense Statement

WATER DEPARTMENT FUND 41500

	FY 2004* BUDGET	FY 2005* BUDGET	FY 2006* FINAL
OPERATING EXPENSE			
Water Purchases (Fixed Charges)	\$ 24,240,000	\$ 25,824,000	\$ 25,831,388
TOTAL OPERATING EXPENSE	\$ 274,633,740	\$ 283,877,866	\$ 293,053,734
TOTAL EXPENSE	\$ 342,660,734	\$ 341,441,383	\$ 304,494,110
RESERVE			
Capital Reserve	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Change in Financing and Grant Related Proceeds	\$ -	\$ (21,039,599)	\$ 12,089,899
Expenditures of Prior Year Enc. & Cont. Approp.	\$ 84,956,111	\$ 94,131,324	\$ 64,111,000
Operating Reserve	\$ 16,290,626	\$ 17,174,551	\$ 18,049,799
Phase Funded	\$ 48,881,639	\$ 55,752,351	\$ 45,885,414
Rate Stabilization Fund	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000
Secondary Purchase Reserve	\$ 6,426,120	\$ 6,544,860	\$ 6,602,878
TOTAL RESERVE	\$ 172,054,496	\$ 168,063,487	\$ 162,238,990
TOTAL RESERVE	\$ 172,054,496	\$ 168,063,487	\$ 162,238,990
BALANCE	\$ 2,257,076	\$ 28,556,446	\$ 7,717,811
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 516,972,306	\$ 538,061,316	\$ 474,450,911

* At the time of publication audited financial statements for Fiscal Year 2004 were not available. Therefore, the Fiscal Years 2004 and 2005 columns reflect final budget amounts from the Fiscal Year 2004 and 2005 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.